

## ENVIRONMENTAL PROTECTION

### I. OVERVIEW

The fourth major program in the State program structure is Environmental Protection. The program's overall objective is to restore, protect, and enhance, where appropriate, the natural and man-made physical environment.

The Environmental Protection Program is comprised of three Level II sub-programs. These sub-programs are distinguished by the uniqueness of their activities and objectives. They are Pollution Control, Preservation and Enhancement, and General Support for Natural Physical Environment.

Environmental Protection includes a total of ten individual, lowest-level active programs. The organizational entities involved in this program are the Departments of Health (DOH), Land and Natural Resources (DLNR), and Agriculture (DOA).

Both the federal and State governments are continuously placing added emphasis on the prevention of environmental degradation, pollution abatement and conservation of biological diversity. Consequently, greater attention must be given to environmental considerations in planning processes by both the public and private sectors. This calls for closer coordination among federal, State, and county agencies in general planning, project planning, systems planning, and capital improvements.

The activities performed under this program can be separated into three distinct categories. They are:

1. Pollution abatement and regulation
  - a. Source inspections and investigations
  - b. Issuance of permits and variances
  - c. Registration of pesticides
  - d. Compliance monitoring
2. Environmental preservation, conservation, and management
  - a. Designation of wildlife refuges, natural area reserves and marine sanctuaries
  - b. Management of use and other impacts on resource values with regulations, public information and education, and other means
  - c. Forest protection and management (control of fire, noxious plants and forest pests and disease)
  - d. Erosion control
  - e. Protection of mineral reserves
  - f. Watershed protection
  - g. Beach improvement, protection and restoration

- h. Restoration of threatened and endangered plants and animals
  - i. Protection and management of natural area reserves, wildlife sanctuaries and marine sanctuaries
  - j. Groundwater and surface water protection
3. Administration and policy-making

A further discussion of the programs comprising the overall Environmental Protection program will be found in the following sections.

Table I-1 illustrates the capital investment and operating costs of the Environmental Protection Program.

TABLE I-1  
INVESTMENT AND OPERATING COSTS  
ENVIRONMENTAL PROTECTION

	F i s c a l   Y e a r s							
	Actual <u>2005-06</u>	Est. <u>2006-07</u>	Rec. <u>2007-08</u>	Rec. <u>2008-09</u>	<u>2009-10</u>	<u>P r o j e c t e d</u>		
						<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
<u>Costs of the Recommended Program<sup>A/</sup></u>								
Capital Investment	28.5	25.0	22.1	21.2	...	...	...	...
Operating	202.4	287.7	311.2	311.4	310.4	310.4	310.4	310.4
Total	230.9	312.7	333.3	332.6	310.4	310.4	310.4	310.4

A/ Expenditures in millions of dollars from all funds.

## II. COSTS AND EFFECTIVENESS OF THE RECOMMENDED PROGRAMS

### Pollution Control

Although no program activity information is available for the sub-programs in this category, Table II-1 illustrates the capital investment and operating costs of the Pollution Control Programs.

TABLE II-1

## INVESTMENT AND OPERATING COSTS

POLLUTION CONTROL

	F i s c a l   Y e a r s						
	Actual 2005-06	Est. 2006-07	Rec. 2007-08	Rec. 2008-09	2009-10	P r o j e c t e d	
						2010-11	2011-12
							2012-13
<u>Costs of the Recommended Program<sup>A/</sup></u>							
Capital Investment	22.3	22.3	16.0	16.0	...	...	...
Operating	170.8	238.5	258.7	258.7	258.7	258.7	258.7
Total	193.1	260.8	274.7	258.7	258.7	258.7	258.7

<sup>A/</sup> Expenditures in millions of dollars from all funds.

## Preservation and Enhancement

### Native Resources and Fire Protection

The Native Resources and Fire Protection Program (LNR 402) objectives are to: (1) Manage habitats to protect, maintain, and enhance the biological integrity of native ecosystems; (2) reduce the impacts of wildfires on native ecosystems and watersheds; (3) reduce the impacts of invasive species on native resources; (4) protect, maintain, and enhance native species populations, and recover threatened and endangered species; (5) promote outreach and foster partnerships to improve public understanding, responsibility, and participation; and (6) conduct monitoring and evaluation to guide the development of recovery and management plans, and ensure cost effective adaptive management of implementation actions and tasks.

This program typically cooperates with the following State departments on technical matters and for field implementation of program objectives: Agriculture; Education, Hawaiian Home Lands; Health; Transportation as well as the Office of Hawaiian Affairs and University of Hawaii. It also coordinates with federal agencies including: Department of Defense, Environmental Protection Agency, Fish and Wildlife Service, National Park Service, USDA's Natural Resources Conservation Service, and Wildlife Services. Cooperation with county agencies includes coordination with the county water departments, fire departments, planning and permitting agencies, and personnel working on invasive species.

Important relationships include: (1) cooperation with private landowners to manage and restore endangered species; (2) implementation of federal programs for wildlife and endangered species restoration; (3) coordination with federal, state, and county agencies and private organizations for acquisition of land or conservation easements for protecting and conserving natural resources of Hawaii; (4) cooperation with federal and county agencies for fire fighting; and (5) cooperation with federal and county programs to control invasive species.

Significant activities include protection and restoration of native and endangered species, wildland fire protection, native species habitat restoration, management of plant and wildlife sanctuaries, invasive species control, and support for landowner assistance programs.

### Conservation and Resources Enforcement

The Division of Conservation and Resources Enforcement (DOCARE), has primary responsibility for natural, cultural and historical resources enforcement in our State. Hawaii has the fourth largest coastline in the nation. There are 23,000 acres

of inland surface water, 3 million acres of state ocean waters, and 410,000 acres of coral reef around the main Hawaiian Islands. Hawaii has the largest tropical rainforest in the United States and the eleventh largest state forest of which over 1 million acres are utilized for hunting. In addition, there are 2 million acres of conservation land and 1.2 million acres of state owned lands. DOCARE Officers throughout the State attempt to contact, inform, educate, and provide law enforcement to the 1.2 million residents and 6 million visitors that utilize the State's resources on a daily basis.

The overall mission of the DOCARE is to promote the safe and responsible use of Hawaii's natural resources.

DOCARE closely follows the goal of the DLNR which is to promote a life-sustaining Hawaii through the protection of our fragile environment, its natural, cultural and historic resource base, and the function and viability of natural systems on which all life depends. The division strives to protect food sources, native species, critical habitats, ecosystems and assists with the management of our natural, cultural, and historical resources in order that a strong foundation be maintained for the future.

In partnership with others, the division helps to lead the citizens and visitors of Hawaii in developing and maintaining a tradition of ethical use, stewardship and sustainability of our land and marine resources. This enforcement effort focuses on the right of all persons to safely use, share and enjoy Hawaii's natural, cultural and historic resources through firm, fair and effective law enforcement.

DOCARE Officers attempt to educate and inform citizens and visitors alike in the responsible use of Hawaii's unique precious resources through the application of county, state and federal laws.

DOCARE also works to promote public safety, the highest priority in any law enforcement entity to ensure the protection of life, health and property. To this end, DOCARE utilizes appropriate enforcement measures to promote responsible conduct by resource users to ensure the safety of all persons. Experience has demonstrated that effective resource protection cannot be accomplished without a viable law enforcement response and presence. This law enforcement response and presence is critical to any effort designed to ensure compliance of our land and marine resource protection measures. In meeting these requirements the division gives priority to the enforcement of ordinances, statutes and rules designed to protect and enhance Hawaii's unique and fragile environment. Preventative enforcement measures in the form of public education and community outreach efforts are ongoing and

designed to increase the public's awareness and foster their help and cooperation in sustaining our natural, cultural and historic resources.

#### Natural Area Resources & Watershed Management

This Program (LNR 407) falls within the statewide Environmental Protection Program and is one of four programs within the DLNR/Division of Forestry and Wildlife (DOFAW). The Program's overall objective is to protect, restore, and enhance Hawaii's natural areas, forested watersheds, native ecosystems, unique native plant and animal species, cultural and geological features for their inherent cultural, scientific, educational and economic values for the enrichment of present and future generations.

Priority activities include: (1) controlling of non-native plants in the Natural area Reserve System (NARS) and watersheds; (2) protecting of the NARS and watersheds from feral ungulates; (3) monitoring the NARS and watersheds for weeds and ungulates; (4) administering the Natural Area Partnership Program (NAPP) contracts; (5) supporting watershed partnerships throughout the state with funding and technical expertise; (6) protecting and enhancing Threatened and Endangered species with active management programs; (7) overseeing the Youth Conservation Corps (YCC) students and interns program for the benefit of the environment and the youth of Hawaii; (8) implementing volunteer programs to engage the general public in resource management projects; and (9) supporting research and environmental education by issuing permits and providing access and interpretation.

Table II-2 illustrates the capital investment and operating costs of the Preservation and Enhancement Programs.



TABLE II-2

## INVESTMENT AND OPERATING COSTS

PRESERVATION AND ENHANCEMENT

	F i s c a l   Y e a r s							
	Actual	Est.	Rec.	Rec.	P r o j e c t e d			
	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
<u>Costs of the Recommended Program<sup>A/</sup></u>								
Capital Investment	...	.50	1.04	.50	...	...	...	...
Operating	22.22	39.28	42.30	42.46	41.47	41.47	41.47	41.47
Total	22.22	39.78	43.34	42.96	41.47	41.47	41.47	41.47

<sup>A/</sup> Expenditures in millions of dollars from all funds.

## General Support for Natural Physical Environment

### Office of Environmental Quality Control

The Office of Environmental Quality Control (OEQC), through its Director, serves the Governor in an advisory capacity on all matters relating to environmental quality control. At the request of the Governor, OEQC coordinates State governmental agencies in matters concerning environmental quality. The office directs the attention of the university, community and public to environmental problems and performs other related functions as specified in Chapter 341, Hawaii Revised Statutes, and serves as a clearinghouse for environmental review documents prepared under Chapter 343, HRS.

OEQC reviews all environmental assessments and impact statements to assure compliance with Chapter 343, HRS, and Chapter 11-200, HAR: notifies the public of the availability of all proposed environmental assessments and impact statements twice each month in the Environmental Notice (OEQC Bulletin) to facilitate the required public review; conducts workshops and provides technical assistance to agencies, private sector, interest groups, and the general public as requested to clarify the requirements of Chapters 343 and 200; reviews and provides comments on proposed land use plans, projects, agency permits and approvals as requested; and provides support and guidance to the Environmental Council.

### Environmental Health Administration

The major activities in this program area are administration, planning, evaluation and surveillance of environmental hazards, as well as the investigation and remediation of environmental contaminants under emergency and routine conditions. The department has enhanced its ability to respond to chemical releases and oil spills. In particular, the department of Health has enhanced its capability to evaluate hazards to both public health and the environment through scientific risk assessment analyses. The department has also taken a leadership role in implementing the federal Brownfields Revitalization Act of 2003 by promoting the assessment, cleanup and redevelopment of underutilized and abandoned property in the State. In this regard, the department is also actively promoting the use of the Hawaii Voluntary Response Program, which has been very successful in encouraging the voluntary cleanup of contaminated property. Finally, the department is developing its capability to respond to acts of bioterrorism by participating in national training and assuming responsibilities under the State Incident Command Structure.

Table II-3 illustrates the capital investment and operating costs of the General Support for Natural Physical Environment programs.

TABLE II-3

## INVESTMENT AND OPERATING COSTS

GENERAL SUPPORT FOR NATURAL PHYSICAL ENVIRONMENT

	F i s c a l   Y e a r s							
	Actual 2005-06	Est. 2006-07	Rec. 2007-08	Rec. 2008-09	2009-10	Projected 2010-11	2011-12	2012-13
<u>Costs of the Recommended Program<sup>A/</sup></u>								
Capital Investment	6.2	2.2	5.1	4.7	...	...	...	...
Operating	9.4	10.0	10.2	10.3	10.3	10.3	10.3	10.3
Total	15.6	12.2	15.3	15.0	10.3	10.3	10.3	10.3

A/ Expenditures in millions of dollars from all funds.

### III. PROGRAM CHANGE RECOMMENDATIONS

The DOCARE has began the process of updating its current strategic plan in order to make efficient and effective use of all enforcement personnel and staff. DOCARE has been collecting and compiling monthly data and written reports in order to examine the time and resources spent on the various functions of the division. By doing this, DOCARE is able to best utilize its limited resources both from a staffing and financial viewpoint. Officer position descriptions are also under review and will be updated to ensure that these position descriptions reflect current conditions and primary responsibilities.

The Administration has proposed a substantial increase in the budget for DOCARE. This much needed increase in funding for more manpower, equipment, and other expenses will improve efforts across the State. This increase in funding allows for the purchase of necessary equipment to provide immediate access to information that will aid management and enforcement personnel in their duties. DOCARE will also continue to improve on its statewide networking system that will allow the various branches and division to process data and documents on a timely basis while promoting electronic communication between all users.

Operational shortfalls will be met through the increase in critically needed funding that will be used to bolster current needs and to ensure responsiveness to emerging issues and opportunities. At the same time, DOCARE is maintaining, enhancing and optimizing its working relationships with other local, State and federal agencies to address shared enforcement concerns and responsibilities.

The department has established civil/administrative penalties procedures and created an administrative penalties process coordinator to increase the use of civil penalties. DOCARE will benefit from this effort since this administrative process will reduce the need to process minor offenses through the criminal justice system.

DOCARE continues to work with community groups, resource users and interested individuals in order to ensure voluntary compliance with departmental conditions and restrictions through formal and informal education and information opportunities.

#### IV. EMERGING CONDITIONS, TRENDS, AND ISSUES

##### Native Resources and Fire Protection Program

- (1) **Invasive Species:** The silent invasion of Hawaii by insects, disease organisms, snakes, weeds, and other pests is the single greatest threat to Hawaii's economy and natural environment and the health and lifestyle of Hawaii's people. Invasive pests already cause millions of dollars of crop losses, the extinction of native species, the destruction of native forests, and the spread of disease. But many more harmful pests now threaten to invade Hawaii and wreak further damage. Even one new pest like the brown tree snake or the red imported fire ant could change the character of our islands. New diseases such as avian influenza and West Nile virus threaten not only endangered species but human health and the state economy. Stopping the influx of new pests and containing their spread is essential to Hawaii's future well being. One of the most cost-effective solutions to this problem is to find and eradicate these species before they proliferate beyond control. This avoids the damage costs created by the pests themselves as well as the costs of perpetual pest control and mitigation.

Chapter 194, Hawaii Revised Statutes, established the Hawaii Invasive Species Council (HISC) to foster and organize coordinated approaches among various executive departments, federal agencies, and international and local initiatives for the prevention and control of invasive species; and to affirm the objective of the State to rid Hawaii of invasive species. In FY 05, \$4,000,000 in State funds were provided for a one-year pilot project to provide support for the operations of the HISC to develop, and implement a partnership of federal, State, county, and private entities for a comprehensive statewide invasive species prevention, response and control program, research and technology program and a public outreach effort.

In FY 07, only \$2,000,000 in State funds were provided to continue the program, resulting in a significant impact of the capacity of the program to meet the threats of invasive species. The Administration is requesting that \$2,000,000 be restored to this program to continue the development of integrated invasive species prevention, response and control, research, and outreach projects. All state dollars invested are being matched (1:1) by non-state dollars or equivalent in-kind services.

- (2) **Fire and Emergency Response:** Under HRS, Chapter 185, Land Fire Protection Law, the department of land and natural resources is mandated and given the authority to

"take measures for the prevention, control, and extinguishment of forest fires on state owned lands . . . (to) cooperate with established fire control agencies of the counties and the federal government in developing plans and programs and mutual aid agreements for assistance for the prevention, control, and extinguishment of fires on forest, grass, brush, and watershed lands not within the department's fire protection responsibilities described above." The department has minimal resources to carry out this mandate of fire protection on the vast landscape that it manages despite existing and increasing risks to public health, safety, and the environment from the effects of wildfires. There is a lack of public investment for wildfire prevention (information and education) and presuppression (maintenance and training), increasing risks and costs of the inevitable wildfires that will occur in the future. The department exceeded its fire budget this year and last and had to rely on a transfer of funds from the Department of Health Special Emergency Response Fund in FY 06 and a budget proviso in FY 07 to supplement the fire fighting needs.

Rural communities at risk from wildfires (i.e., Kohala by the Sea, Waikoloa Village, Puu Lani Ranch) have become keenly aware of the possibility of a wildfire sweeping through their communities and rely on the department to provide them with technical assistance in protecting their homes and property. The federal Firewise Program has been successfully developed to help these communities work on fuels reduction and prevention programs, develop community wildfire protection plans at minimal cost and assist them in attaining federal grant funding. The continuation of the program is dependent on federal funds.

In addition, the fire program is called upon to provide training, support, and technical expertise for emergency response management to bolster the State's capabilities for homeland security. Providing for public health and safety when extreme burning conditions and other emergencies (hurricanes, tsunamis, etc.) occur is a priority. As the only State firefighting agency with wildfire and incident management expertise, the department is regularly called upon to assist the State Civil Defense Agency for emergency response, even when it impacts other operational programs. Current budget levels limited the program's ability to fight fire and respond to other emergencies. An adequate investment in firefighting and emergency response capability is needed to continue to effectively protect public health and safety.

Recent threats from emergent avian-borne diseases such as West Nile virus and avian influenza have added additional monitoring and emergency response obligations to

department programs. These diseases pose a potential threat to wildlife and human health through their possible transport to the islands by wild birds. Over the past year, the department has participated in coordinated interagency efforts to conduct a complex statewide surveillance program for the early detection of emergent diseases, using staff diverted from other duties. The magnitude and complexity of this broad program requires statewide surveillance and response program to protect Hawaii's wildlife and citizens from threats posed by these diseases.

- (3) **Endangered Species Recovery:** Hawaii has more endangered species than any other state and has more than 30% of all the listed species in the U.S. Last year, efforts to save the last Po'ouli brought worldwide attention to Hawaii's extinction crisis. Unfortunately, it now appears that the fight to save this unique forest bird has been lost. In the last 40 years, 10 species of forest birds found nowhere else in the world have become extinct - an astonishing rate of 1 every 4 years. Losses of plant species appear even higher.

Despite this alarming record, coordinated recovery programs, when implemented before endangered species populations reach critically low levels, can achieve successes. Notable examples include: (1) The Kauai Forest Bird Recovery Team - has released 115 endangered Puaiohi into the wild. This species once numbered only a few dozen individuals was on the brink of extinction - it now numbers more than 400. (2) The Kauai Endangered Seabird Recovery Program - hundreds of birds that are downed by structures and lighting hazards are rescued each year. (3) The Maui Forest Bird Recovery Team - developing a koa forest habitat restoration project and captive propagation and release program for the Maui Parrotbill now numbering only 500 individuals. (4) The Plant Extinction Program - propagating hundreds of species of rare and endangered plants and has outplanted more than 15,000 plants into native habitats in recent years. (5) Cooperative conservation programs are in place on all the main islands for management of 23 of the 38 listed animals, and more than 100 of the 278 listed plants.

The cooperative endangered species conservation program has benefited from extensive contributions from federal and other non-state grants as well as private and in-kind contributions. However, the availability for state matching funds for federal grants has not kept pace with new funding sources, making it increasingly difficult to continue program development. A reliable source of funding is needed to support and expand these critical programs.

## Environmental Management

Public health demands in the 21st century are affected by increased awareness of the environment's impact on individual and community health and are now, since 9/11, sensitized to security threats. Recent amendments to federal laws and rules have advanced a trend in environmental health programs that increases state initiatives, discretion, and flexibility in enforcing environmental laws. Further, environmental laws and dealing with terrorism threats rely more on sound science, public/private partnerships, and common sense. Federal funding is being directed towards those programs that can contribute most to environmental improvements. These trends are reflected in the following changes:

- Pursuant to the federal Clean Air Act and the regional haze regulations, the State is required to identify and address the existing visibility impairments to the two Class 1 areas - the Hawaii Volcanoes National Park and the Haleakala National Park. The State must assess the visibility monitoring data, develop an emissions inventory, conduct an air modeling analysis, prepare a haze control strategy, and adopt a state implementation plan. The task is difficult due to the new subject area and the lack of information and guidance from the U.S. Environmental Protection Agency (EPA).
- Construction projects in or adjacent to waters of the U.S. must obtain a Clean Water Act, Section 402 permit from the DOH as well as a Section 404, permit from the U.S. Army Corps of Engineers (COE) and a Section 401 State Water Quality Certification from the Clean Water Branch of the DOH. Prior to the start of construction, all permits issued by COE need to be reviewed and certified by the DOH that the discharges will comply with the applicable water quality standards.
- The hazardous waste rules are being updated to incorporate by reference, all the federal regulations from 1998 to 2003. In addition, the entire set of state hazardous waste rules are also being incorporated by reference.
- The Hazardous Waste Program is expanding its compliance assistance program by providing site visits to small businesses. This is accomplished by the Waste Minimization Coordinator (WMC) who conducts a walk-through site visit when invited by a facility. The WMC may provide a written report to the facility and give them an opportunity to comply, without fear of enforcement. An audit policy is currently being drafted.



- The Safe Drinking Water Branch implements programs and rules mandated by the Safe Drinking Water Act Amendments of 1996. Program areas include homeland security measures; Drinking Water Treatment Revolving Loan Fund (DWTRLF) administration; new water system capacity requirements; existing water system capacity evaluation; consumer confidence reporting; distribution system operator certification program; source water assessment program; groundwater protection program; and underground injection control program that regulates underground disposal of wastewater. Funded by EPA and the State, the DWTRLF provides low-interest loans to qualifying public water systems for improvements and to assure compliance with federal and state laws and rules. These funds support administration of the fund, federal initiatives, small water systems, and new programs in water system capacity and source water protection.
- The Wastewater Branch continues to implement the Water Pollution Control Revolving Fund (WPCRF) program; review construction plans for wastewater treatment facilities; and administer the training and certification of wastewater treatment system operators. The WPCRF provides low-interest construction loans for wastewater systems. Until staffing is adequate to meet all federal requirements, the Wastewater Branch also assists with the financial activities of the DWTRLF. The EPA mandates the perpetuity of both loan programs and provides annual capitalization grants that require 20% State matching funds. This biennium request includes CIP requests to provide the required State matching funds for both the WPCRF and the DWTRLF programs.
- Information management (data and technology systems) is a major focus for improvements in operations. Environmental Management has used an EPA One Stop Grant to develop a five-year plan to identify business process improvement and will begin implementation.

The environmental management programs now involve the regulation of all media areas and require a high degree of complexity of applied sciences involving and sometimes crossing several disciplines. As delegated by the EPA, the State has the authority to exercise discretion and sound science in establishing program requirements. This feature ensures favorable results for the amount of cost incurred by the regulated facilities. As environmental laws and rules change, the State must remain flexible to adjust and comply with these new mandates.

## Clean Air Act

The Clean Air Act and the federal regulations and standards continue to have a major impact on the development and direction of Hawaii's air pollution control program. Pursuant to the new Ambient Air Quality Standards for ozone and particulate matter, the State has established and is operating an air monitoring network to determine compliance with the new standards. The State will be adopting the standards once the mainland court challenges and proceedings have been completed. As mentioned earlier, the State is proceeding to address the federal haze regulations, a difficult and large task for the air program. Much time and resources will have to be devoted to this effort. Another program area which is quite controversial is the attempt of recent federal regulations to improve upon the New Source Review program. Because of impending court challenges to the regulations, the State will await guidance from the EPA before proceeding with any actions. The state air pollution program will continue to evolve in the 21<sup>st</sup> century.

## Clean Water Act

The Clean Water Branch is delegated the authority and mandated by the EPA to implement Section 401, Water Quality Certification, Section 402, National Pollutant Discharge Elimination System, of the Clean Water Act as amended in 1977 and Chapter 342D, Hawaii Revised Statutes. The branch also administers a program to reduce discharges from point sources such as sewage treatment plants and power plants, run-off from industrial facilities and construction activities (greater than one acre), and polluted run off, also known as Non Point Source Pollution. The challenges to the Clean Water Branch will be the additional workload with limited resources due to new federal requirements. For example, because of federal law changes, the branch now regulates and inspects hundreds more construction sites than before.

## State Revolving Fund Programs

To the greatest extent possible, the Wastewater Branch and Safe Drinking Water Branch share expertise and resources to implement two multi-million dollar revolving loan fund programs that are both funded by EPA and require state matching funds in the form of CIP requests. The WPCRF provides low-interest construction loans to the counties in order to construct and/or improve wastewater treatment facilities. An EPA capitalization grant of more than \$10 million annually through the year 2007 requires a 20% state match for which a CIP request is part of this biennium request. The DWTRLF provides low-interest loans for construction, improvement, and technical assistance and training to public and private water system operators statewide. This biennium request includes a CIP request to

provide the 20% state match for an EPA capitalization grant of more than \$8 million through the year 2007.

#### Solid and Hazardous Waste Program

1. Since May 2000, the Underground Storage Tank (UST) Program has implemented the field citation program that is similar to a traffic ticket where the inspectors would issue the field citations for easily verifiable and correctable violations. They contain lower penalty amounts than the traditional enforcement tools. To date, DOH has issued 429 field citations. The UST program will be amending the rules to clarify the financial responsibility, the field citation and the release response requirements. In addition, the Leaking Underground Storage Tank Unit provides regulatory oversight for releases from underground storage tanks.
2. The operating budget provides refunds to consumers for return of a deposit beverage container at a redemption facility. Moneys would be used to pay handling fees to redemption centers, for funding audit and program compliance activities, conducting recycling education and demonstration projects, promoting recycling education and demonstration projects, supporting the transportation of the containers to end-markets, and funding personnel, administrative, and office expenses. Overall, less than 10% of the operating funds are administrative in nature.

Act 160, SLH 2006, provided an appropriation and established a spending ceiling for the deposit beverage container special fund of \$52,255,620. Act 176, SLH 2002, established in the state treasury, the deposit beverage container special fund, which among other things, shall be used to reimburse deposit beverage container refund values, pay handling fees to redemption centers, fund the reverse vending machine rebate program under Section 342G-102.5, HRS, and fund the redemption center and recycling infrastructure improvement program established pursuant to Section 342G-114.5, HRS. DOH may also use the special fund money to:

- Fund administrative, audit, and compliance activities associated with collection and payment of the deposits and handling fees of the deposit beverage container program.
- Conduct recycling education and demonstration projects.
- Promote recyclable market development activities.
- Support the handling and transportation of the deposit beverage containers to end-markets.
- Hire personnel to oversee the implementation of the deposit beverage container program.

- Fund associated office expenses.

The FY 06 deposit beverage container special fund appropriation ceiling was premised primarily on a projected annual sale of approximately 800 million deposit beverage products being sold in the State and a projected annual deposit beverage container redemption rate well below 70%. Based on current data, the number of deposit beverage products sold in the State is expected to reach approximately 1 billion. For FY 2005-06, the deposit beverage container redemption rate reached approximately 70%. Within the next two years, the program projects that the redemption rate will continue to rise and may plateau at approximately 82.5%.

The increase in deposit beverage container products sold in the State combined with the increased redemption rate is expected to markedly increase redemption-related expenditures from the deposit beverage container special fund. Expenditures related to the reimbursement of the 5-cent redemption value and the 2 to 3-cent redemption center handling fee is also expected to easily top \$58 million.

Further, in response to the increased number of deposit beverage container products sold in the State, the high redemption rate, the amount of expenditures related to the reverse vending machine (RVM) rebate, and funding for redemption center infrastructure support initiatives, the program expects a corresponding increase in program administrative expenses. These administrative costs include full staffing cost increases with a concomitant increase in program operating costs, increased audit costs, more funding for county program-support contracts, expanded outreach and education funding, increased/stronger emphasis on recycled material end-use research and market development, as well as more and continued funding for redemption center infrastructure improvement contracts.

The foregoing activity will require current and future adjustments to the special fund ceiling to ensure 100% reimbursement for all deposit beverage containers redeemed; appropriate recycling of all redeemed deposit beverage containers; continued enforcement of and compliance with program rules and requirements; proper support, promotion, maintenance and appropriate expansion of the deposit beverage container infrastructure; adequate financial support of program-related activities; and, overall, provide for continued improvement in redemption customer convenience and confidence.

## Natural Area Resources and Watershed Management

Native ecosystems continue to be degraded by invasive noxious weeds and feral animals. Resources to protect and manage all listed and potential endangered plants and wildlife are insufficient. The NARS is a critical component in efforts to preserve native species.

The interest in and growth in size, number and cooperative spirit of watershed partnerships, presently numbering 9 and covering 1,000,000 acres on all major islands, is unprecedented opportunity to manage large forested areas, critical to the watershed and habitat for native species.

Decline in traditional sources in Federal grant funding requires the program to rely more on State funds.

## Conservation and Resources Management

There is an ongoing perception of some of Hawaii's resource users that Hawaii's unique natural resources are unlimited and can withstand unregulated pressure. This demonstrates the need for more enforcement in order to ensure sustainability.

Customary practices brought to Hawaii by newcomers sometimes conflict with local laws and management efforts, creating a greater need for enforcement and education.

Significant population increases and the creation and/or expansion of resource areas (i.e., parks, forests, hunting, hiking trails, restricted areas, fishing and recreational boating) designated for public use increase the need for conservation enforcement and education.

DLNR's conservation and resources enforcement program's budget and manpower levels have not kept pace with our ever increasing population, expansion of program, and greater areas of responsibility.

Environmental consciousness of our State's unique natural resources continues to rise, resulting in an ever increasing demand on DOCARE to protect and preserve natural areas, historic sites, culturally sensitive sites, refuges, unencumbered State lands and sanctuaries.

User conflicts caused by competing interests have resulted in increased demand for more law enforcement intervention. Native Hawaiian rights and related issues play an increasing role in DLNR's effort to manage resource use. More attention must be given to community input and recommendations in order to foster voluntary compliance.

Current DOCARE staffing levels make it impossible to provide for adequate coverage on a 24-hour basis. Occasionally, complaints wait 24 hours or longer before an officer can

respond to investigate the case. Limited funding for regular and holiday overtime also diminishes our ability to respond to resource violations at the time when our officers are needed the most.

The issues and problems affecting the program require proactive measures. With limited manpower and decreased funding, DOCARE is primarily responding in a reactive manner. This makes it difficult to protect Hawaii's unique resources and meet community expectations.

More public education from all sectors is needed and will be needed to promote public awareness and voluntary compliance with sustainable resource use restrictions.

## V. SELECTED PROBLEMS FOR POSSIBLE STUDY

### Native Resources and Fire Protection Program

Management needs arising from invasive species, fire and emergency response, and decline and extinction of native species continue to pose an increasing obligation and challenge for the department. While progress has been made recently on all fronts, the absence of a dedicated source of state funds remains the greatest obstacle to continued program development and expansion of the program through cooperative conservation partnerships.

The division will be utilizing selective surveys to gauge community perception of the division's enforcement efforts and community compliance. Risk assessments of selected areas and activities are being discussed and will be used to monitor compliance and identify corrective measures.

### Natural Area Resources and Watershed Management

Areas where possible study is desired include: (1) declining federal grant funding impacts the Program both operationally and from a staffing perspective; (2) investigating possible sources of invasive species funding to cost-share across programs that are beneficiaries. For several years the bulk of funding has come from the Natural Area Reserve (special) Fund while social and economic programs, although benefiting greatly, have contributed little; (3) clarifying the process by which the department annually disburses the fund among the varying competing programs. Since a 2005 amendment in HRS 247-7 removed the joint consultation requirement with the NARS Commission and Forest Stewardship Committee from the overall disbursement process, it is unclear how the department allocates funding to the various programs.